

AMENDED IN SENATE MAY 31, 2011

AMENDED IN SENATE MAY 10, 2011

AMENDED IN SENATE APRIL 4, 2011

SENATE BILL

No. 357

Introduced by Senator Dutton

February 15, 2011

An act to add Section ~~11346.47~~ to the ~~Government~~ ~~38567~~ to the *Health and Safety Code*, relating to regulations.

LEGISLATIVE COUNSEL'S DIGEST

SB 357, as amended, Dutton. ~~Regulations:—California Global Warming Solutions Act of 2006: regulations:~~ obsolete equipment.

The Administrative Procedure Act governs the procedure for the adoption, amendment, or repeal of regulations by state agencies and for the review of those regulatory actions by the Office of Administrative Law. The act requires that an agency identify, in the notice of proposed action for a regulation, an estimate, prepared in accordance with instructions adopted by the Department of Finance, of the cost or savings to a state agency.

The California Global Warming Solutions Act of 2006 (hereafter the act) designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020, and to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions.

This bill would additionally require ~~an agency~~ *the state board* to estimate the cost or savings to the state in revenues that are lost or gained as a result of a regulation *adopted pursuant to the act* that would make equipment obsolete, where that equipment would otherwise have a remaining depreciable life. The bill would require the Franchise Tax Board to provide to ~~each state agency~~ *the state board*, and update every 5 years, the average tax rate to be applied to the amount of the estimated accelerated deduction due to reduced asset life attributable to the regulation for an increase in business depreciation.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 38567 is added to the Health and Safety*
2 *Code, to read:*

3 38567. (a) *For purposes of the estimate of costs and savings*
4 *to a state agency reported pursuant to paragraph (6) of subdivision*
5 *(a) of Section 11346.5 of the Government Code, and in addition*
6 *to information required by the Department of Finance pursuant*
7 *to Section 11357 of the Government Code, an estimate made by*
8 *the state board shall include an estimate of the cost or savings to*
9 *the state in revenues that are lost or gained as a result of a*
10 *regulation adopted pursuant to this division that makes equipment*
11 *obsolete, where that equipment would otherwise have a remaining*
12 *depreciable life.*

13 (b) *For purposes of this section, the Franchise Tax Board shall*
14 *provide to the state board, and update every five years, the average*
15 *tax rate to be applied to the amount of the estimated accelerated*
16 *deduction due to reduced asset life attributable to the regulation*
17 *adopted pursuant to this division for an increase in business*
18 *depreciation.*

19 ~~SECTION 1. Section 11346.47 is added to the Government~~
20 ~~Code, to read:~~

21 ~~11346.47. (a) For purposes of the estimate of costs and savings~~
22 ~~to a state agency reported pursuant to paragraph (6) of subdivision~~
23 ~~(a) of Section 11346.5, and in addition to information required by~~
24 ~~the Department of Finance pursuant to Section 11357, the agency's~~
25 ~~estimate shall include an estimate of the cost or savings to the state~~
26 ~~in revenues that are lost or gained as a result of a regulation that~~

1 makes equipment obsolete, where that equipment would otherwise
2 have a remaining depreciable life.
3 (b) For purposes of this section, the Franchise Tax Board shall
4 provide to each state agency, and update every five years, the
5 average tax rate to be applied to the amount of the estimated
6 accelerated deduction due to reduced asset life attributable to the
7 regulation for an increase in business depreciation.

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